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SUBJECT: EU PROVIDES MORE THAN 43 MILLION EUROS TO PROMOTE REFORM
(ECONOMIC WEEK IN REVIEW, NOVEMBER 2-8, 2009)

CONTENTS

-- EU PROVIDES 43 MILLION EUROS TO PROMOTE ECONOMIC REFORM
-- LEBANON'S TOURISM GROWTH HIGHEST WORLDWIDE
-- REAL ESTATE VALUES TO RISE THROUGH 2013
-- LEBANON ONE OF TOP RECIPIENTS OF IMF TECHNICAL ASSISTANCE
-- NEW AD CAMPAIGN ON COUNTERFEITS LAUNCHED

EU PROVIDES 43 MILLION
EUROS TO PROMOTE REFORM

[11](#). (SBU) The European Commission (EC) announced that it will provide Lebanon with 43 million euros in grant assistance under its 2009 Annual Action Plan, most of it to be spent on economic reform. Out of this, 8 million euros will go to support Paris III reforms, including supporting Lebanon's WTO accession and upgrading tax administration, EU economist Charles Abdallah told us. This is the first time the EC will provide assistance for WTO accession, he said. The EU delegation's Francisco Lopez confirmed that the EU would begin support for Lebanon's WTO accession and stressed that he and his colleagues would coordinate closely with the Embassy to try to ensure no overlap with USAID's WTO accession project at the Ministry of Economy and Trade.

[12](#). (SBU) The EU's 2009 program will also provide support to education and public finance management reform (13.7 million euros), reinforcing human rights and democracy in Lebanon (10 million euros), demining and unexploded ordnance (7 million), and a new EU scholarship fund for Palestinian refugees in Lebanon (4.3 million euros). This assistance is provided under the European Neighborhood Policy and is part of a 187 million euro package of financial support for Lebanon for the period 2007-2010.

LEBANON'S TOURISM GROWTH
HIGHEST WORLDWIDE

[13](#). (U) Lebanon witnessed the highest growth in tourism worldwide in the first half of 2009, according to the UN World Tourism Organization (UNWTO). The UNWTO ranked countries based on the year-to-year change in the number of visiting tourists, comparing the numbers in the first seven months of 2009 with the same period in 2008. The survey noted that even if more recent figures were used, Lebanon would still be in the first spot globally, as the number of tourists in the first nine months of 2009 rose by 46.3%. Since the beginning of the year, the Ministry of Tourism has continually noted that it expects the number of tourists in 2009 to reach two million, a dramatic increase from the record 1.3 million who visited in 2008.

REAL ESTATE VALUES
TO RISE THROUGH 2013

14. (U) Real estate values in Lebanon will continue to rise through 2013, according to global property news service PropertyWire. The report estimates that real estate values rose by 9% in the first eight months of 2009 and will rise by 10-15% each year until 2013. The value of property transactions was estimated at more than \$4.3 billion in 2008 and is expected to be even higher in 2009. PropertyWire noted that the biggest real estate investors were wealthy expatriates and Arabs. Residents who have suffered from skyrocketing prices over the past three years may also increase their demand following Central Bank of Lebanon (CBL) incentives to commercial banks to increase housing loans at competitive rates.

LEBANON ONE OF TOP RECIPIENTS
OF IMF TECHNICAL ASSISTANCE

15. (U) Lebanon accounted for 10% of the IMF's Middle East Technical Assistance Center's (METAC) overall allocation of technical assistance delivery in fiscal year 2009. Out of ten countries, Lebanon was the fourth-largest recipient of technical assistance in the region. METAC was established in Beirut in October 2004. Its assistance to Lebanon focused on public financial management, Central Bank accounting, banking supervision, macroeconomic statistics support, and revenue administration.

NEW AD CAMPAIGN ON
COUNTERFEITS LAUNCHED

16. (U) The Brand Protection Group (BPG), a group of 22 local and
BEIRUT 00001220 002 OF 002

international companies fighting counterfeits, announced the launch of a new phase of its media campaign to increase awareness about counterfeits in the Lebanese market. The campaign is also intended to encourage consumers to use the consumer protection hotline at the Ministry of Economy and Trade (MOET), which the BPG helped set up in 2004, to report counterfeits. Last July, as part of its effort to improve public sector capacity in intellectual property enforcement, the BPG, in collaboration with the Institute of Finance, held an eight-week workshop on counterfeit goods for members of Customs and the Internal Security Forces, as well as inspectors from the MOET's Consumer Protection Department.

DAUGHTON